

Progress in Iraq

2006 First Quarter
Report Card

Center for American Progress



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Progress in Iraq: 2006 First Quarter Report Card

Subject	Grade
Overall First Quarter Grade:	D
Security and Stability	D-
Governance and Democracy:	C+
Economic Reconstruction:	D-
Impact on U.S. National Security:	F

First Quarter Report Card

In the first three months of 2006, the Bush administration has failed to achieve substantial progress on the security and reconstruction of Iraq, even though there have been some achievements in forming a democratic government. Thousands of U.S. soldiers and diplomats continue to serve their country bravely but they remain tied to the stay-the-course policies of President Bush and his top policy and political leadership. Judging the administration's Iraq policy as a whole, the Center for American Progress gives the Bush administration a "D" for its performance in the first quarter of 2006.

This report follows last year's vote by a bipartisan majority of 79 Senators which called on President Bush to put forward a strategy for "the successful completion of the mission in Iraq" and declared 2006 "to be a period of significant transition for Iraq." This vote of no-confidence in the Bush administration's Iraq policy prompted President Bush to mount a two-month public relations offensive, a campaign that left many unanswered questions. This report seeks to fill the gaps left unmet by the Bush administration's incomplete status reports on Iraq.

Overall First Quarter Grade	D
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Security and Stability	D-
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Governance and Democracy	C+
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Overall First Quarter Grade

D

Security and Stability

D-

- U.S. efforts to train Iraqi security forces have achieved some tangible results, with more Iraqi forces in the lead of key operations. This progress increases chances for a much-needed redeployment of U.S. troops.
- Sectarian violence sparked by last month's bombing of a Shiite shrine in Samarra brought Iraq to the brink of all-out civil war.

Governance and Democracy

C+

- U.S. Ambassador to Iraq Zalmay Khalilzad has played a constructive role in attempting to broker a political agreement among Iraqi political factions. This diplomatic work is vital to stabilizing Iraq. Three months after Iraq's elections, the new parliament convened for the first time.
- Three months after the December elections, divisions among Iraqi political leaders run the risk of preventing them from meeting the deadline to form a new government.

Economic Reconstruction

D-

- After spending months promoting its provincial reconstruction teams (PRTs), this key component of the Bush administration main reconstruction plan is still mostly dormant.
- Iraq produces less oil now than it did on the eve of the invasion, and many Iraqis continue to suffer from a lack of basic services.

Impact on U.S. National Security

F

- Three years of a continuous U.S. troop presence in Iraq has weakened U.S. ground forces.
- The open-ended commitment to Iraq has served as a rallying cry for global terrorists.
- U.S. intelligence agencies have warned that Iraq has become the new leading training ground for global terrorists
- The total costs of the war continue to rise, approaching \$300 billion for American taxpayers, including the forthcoming bill for supplemental funding.

Security and Stability: D-

In the first quarter of 2006, Iraq continued to suffer from instability and sectarian violence. This was due in part to internal disturbances but also due to the continuing effects of past U.S. decisions such as sending in too few troops after the invasion¹ and failing to disband the militias.²

1. **Increased threat of all-out civil war.** A series of brutal attacks sparked by the February 22 bombing of the holy Shiite Al-Askari shrine in Samarra raised fears that a nightmare scenario might become a reality: Iraq descending into a full-blown sectarian civil war that could draw its neighboring countries into the conflict. Hundreds of Iraqis have since been killed in score-settling violence.
2. **Growing evidence of death squads connected to the Iraqi ministries.** In the first quarter, there were several incidents involving “death squads” with alleged ties to the Ministry of Interior.
3. **Mixed results in training the Iraqi army.** The Bush administration reported that it had trained and equipped nearly 250,000 Iraqi security forces by mid-March. Though the Iraqi security forces have not met expectations, the Iraqi Army saw overall improvement in the first quarter of 2006. If this training continues on pace, it could open the door for substantial U.S. troop redeployments in 2006.
 - **Overall increased readiness.** Ninety-eight Iraqi army battalions are now combat ready, ten more than reported three months ago. There has been a 47 percent increase in battalions classified as “in the lead” (to 53 today from 36 in October 2005). Iraqi security forces took the lead in maintaining a relative calm during the December elections and October referendum last year, and Iraqi security forces were at the forefront of enforcing the recent curfews that temporarily stemmed recent violence.
 - **No independent battalions.** The Pentagon reported in February that the number of Iraqi army battalions judged capable of fighting the insurgency without U.S. help slipped from one to zero.

¹ The Bush administration decided to enter Iraq with fewer troops than the Army chief of staff recommended was needed for stability operations. The Administration acted on a belief that Iraqis would rapidly create their own inclusive government, thus allowing the United States to withdraw troops in a matter of weeks after toppling Saddam Hussein. This created a vacuum and gave space for terrorist groups to fan the flames of sectarian and ethnic tensions.

² The Bush administration failed to implement its own Coalition Provisional Authority’s June 2004 order to disband the militias that are a key challenge in Iraq, allowing these groups to grow and increase their control of territory. As a result, ethnic and sectarian militias control large sections of the country, without a strong allegiance to a unified Iraqi government. In addition to an estimated 100,000 Kurdish Peshmerga forces, numerous Shiite militias exist, including the Mahdi Army, which killed U.S. forces in 2004.

4. **Unfinished work with Iraqi ministries impedes security transition.** A key factor that prevents Iraqi Army units from making the transition from being “in the lead” (Level 2) to “independent” (Level 1) is the unfinished work in the institutional development of the Ministries of Defense and Interior. These ministries have not yet developed the necessary budgeting, contracting, personnel management, and logistical procedures.
5. **Corruption, absenteeism, and militia infiltration of Iraqi police.** According to the Bush administration, a total of 127,700 Iraqi police and other forces under the Ministry of Interior have received training and equipment. But infiltration by militias, ongoing corruption, and absenteeism remain major problems. Iraqi investigators recently broke up a kidnapping and extortion ring in northern Baghdad, which was commanded by a general in the Iraqi police. Iraqi and U.S. officials have begun to address these problems but much work remains undone.

Governance and Democracy: C+

U.S. Ambassador Zalmay Khalilzad’s active intervention in the formation of a new Iraqi government has helped push the parties closer together. But underlying ethnic and sectarian tensions remain and human rights abuses continue.

1. **New parliament convenes, political negotiations continue.** Iraq’s new parliament convened briefly on March 16, and negotiations among the main political groups on forming a new government continue, with constructive intervention from U.S. ambassador Zalmay Khalilzad. This intervention has helped stabilize a tenuous situation.
2. **December 2005 election reveals growing sectarian divisions.** As the Bush administration’s status reports indicate, turnout for Iraq’s elections increased to 77 percent in the December 2005 elections, up from 58 percent in the January 2005 elections. The December election results, however, revealed growing divisions in the country. The vast majority of Iraqis voted for ethnic or sectarian based parties, and national unity tickets garnered slim support.
3. **Human rights abuses and civil liberties infringements continue.** Despite two elections and a referendum, the country remains in the very early and fragile stages of a long-term process of building a real democracy. Released in the first quarter, the Bush administration’s State Department report on human rights in Iraq notes widespread problems, including a “pervasive climate of violence, misappropriation of official authority by sectarian, criminal, terrorist, and insurgent groups,” and “arbitrary deprivation of life,” among other problems. Iraqis do not live in freedom, according to Freedom House, which has provided the gold standard for measuring trends in political rights and civil liberties over the past three decades. Freedom House warned that the new constitution “could threaten human rights” by allowing possible restrictions on the rights of women, religious minorities, and democratic and legitimate political opposition.

Economic Reconstruction Track: D-

The Bush administration has failed to implement its primary reconstruction program and has been forced to divert billions of dollars meant to provide basic services to Iraqis. Oil production has fallen below pre-war output and electricity production continues to be sporadic.

- 1. Bush administration has not fully implemented plans.** After spending months promoting its provincial reconstruction teams (PRTs), the Bush administration main plan for reconstruction is “still mostly dormant.” Only three of 16 planned teams have been launched. Stuart Bowen, the U.S. Special Inspector for Iraq and a former counsel in the Bush White House, reported earlier this year that the United States failed to keep track of at least \$9 billion and did not exercise adequate managerial controls over the money. The United States has also been forced to divert to security \$3 billion, which has derailed basic water and electricity projects.
- 2. Oil production still stuck at prewar levels.** In the first quarter, Iraq’s oil production remains stuck at prewar levels, averaging under 2 million barrels per day. Prewar oil production was 2.5 million barrels per day.
- 3. Advances in electricity production, but still not meeting overall demand.** The State Department reports an increase in overall electricity output of 17 percent in March 2006 (compared to the March 2006), but on average Iraqis only receive electricity about half of the day. Residents of Baghdad receive 7 hours of electricity a day on average.
- 4. Double digit unemployment.** Best estimates of unemployment in Iraq range from 25 to 40 percent.

Impact on U.S. National Security: F

1. Impact on U.S. Military

- Casualties of war.** As of March 16, 2006, 2,310 U.S. troops have lost their lives in Operation Iraqi Freedom and 17,124 have been wounded in action. This includes 134 troops killed and 835 wounded from January 1 to March 16 this year. One in five veterans in Iraq shows evidence of mental health problems according to a recent study in the *Journal of the American Medical Association*. More than a third of U.S. soldiers and Marines fighting in Iraq visited a mental health specialist at least once after their combat tour.
- U.S. ground forces stretched thin.** Three years of a continuous U.S. troop presence in Iraq has weakened U.S. ground forces. Several recent studies highlight that extended deployments

in Iraq have eroded U.S. ground forces and overall military strength, including a Pentagon-commissioned study that concluded that the Army cannot maintain its current pace of operations in Iraq without leaving permanent damage. Almost all available combat units in the U.S. Army, including units in the National Guard and Reserve have been deployed to Iraq at least once. Some are returning for second and third tours.

- **Recruitment shortfalls as a result of Iraq.** The Army met its recruiting goals in fiscal year 2006 but only by significantly lowering its goals for the first part of the fiscal year. In 2005, the active-duty Army missed its annual recruiting goal by 6,627 soldiers. This shortfall was the largest in two decades, occurring despite the fact that the Army added 1,300 recruiters, sharply increased its recruiting budget, offered huge bonuses and lowered standards.
- **Decline in recruitment standards.** In FY 2005, the Army took its least qualified recruits in a decade as measured by educational and test results. The percentage of new recruits in the Army without a high school diploma rose to 13 percent in 2005, up from 8 percent in 2004. The Army has also dramatically increased the number of recruits who previously would have been barred from military service because of criminal misconduct or drug and alcohol problems.

2. Impact on the War on Terrorism

- **Iraq serving as a rallying cry for global terrorists.** By maintaining an open-ended military presence in Iraq, the Bush administration continues to give global terrorist groups a potent recruitment tool. In the first quarter of 2006, there have been 620 incidents of terrorism in the world, up from 415 terrorist incidents in the first quarter of 2003.
- **Iraq serving as live exercise training ground for global terrorists.** By invading Iraq without a plan to stabilize the country, the Bush administration created a new terrorist haven where none had previously existed. The Central Intelligence Agency's National Intelligence Council warned last year that Iraq has become the new leading training ground for global terrorists. In the first quarter of this year, U.S. intelligence and military officials voiced concerns that terrorists were taking their newly acquired skills in Iraq and using them in Afghanistan, where the battle against terrorists remains incomplete.

3. Financial Costs of the War

- **Straining the U.S. budget.** The total costs of the war continue to rise, approaching \$300 billion for American taxpayers, including the forthcoming bill for supplemental funding. The Congressional Budget Office estimates that in their mid-range scenario, the Iraq war will cost approximately \$266 billion in the next decade, making the direct cost of the Iraq war around \$500 billion.

- **Leading to long-term financial costs.** A study by two academic experts, Harvard budget expert Linda Bilmes and Columbia University Professor and Nobel Laureate Joseph E. Stiglitz, estimate that the war could cost the United States a minimum of nearly one trillion dollars and potentially over two trillion dollars. They include costs such as lifetime disability and health care for the injured, the economic value of lives lost, and the war's related effects on investment, oil prices, and the growing US budget deficit.
- 5. Higher oil prices.** In March 2005, global oil prices averaged around \$56 a barrel, nearly double what they were on the eve of the Iraq war in 2003 (\$30 a barrel). Though some of the increases reflect rising demand in Asia, oil market analysts have noted that the decline in Iraq's production as well as a risk premium resulting from increased insecurity in the Middle East has contributed to higher prices.

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The Center for American Progress is a nonpartisan research and educational institution dedicated to promoting a strong, just and free America that ensures opportunity for all. We believe that Americans are bound together by a common commitment to these values and we aspire to ensure that our national policies reflect these values. We work to find progressive and pragmatic solutions to significant domestic and international problems and develop policy proposals that foster a government that is “of the people, by the people, and for the people.”